

**REGULATION**

45 CFR 302.19  
45 CFR 302.20

**BONDING**

Federal regulations require that every person who, as a regular part of his employment, receives, disburses, handles or has access to or control over funds collected under the IV-D program must be covered by a bond. The bond must be in an amount adequate to indemnify the program for loss resulting from employee dishonesty. The requirement to bond employees applies to the state and to local agencies performing IV-D services under cooperative agreement. To satisfy the regulatory requirement, employees who handle or exercise control over funds or property are to be bonded. This includes employees who have the following types of responsibilities:

- employees who have physical contact or control over cash, checks or similar property,
- employees who have the right to transfer or negotiate for value such items as titles to properties or securities,
- employees who disburse funds,
- employees who sign or endorse checks or similar instruments individually or as co-signers, and
- employees who supervise individuals who receive, disburse, handle or have access to or control over funds or assets.

Individual counties can have self-bonding/insuring provisions as an alternative to actual bonding.

**SEPARATION OF  
CASH HANDLING  
AND ACCOUNTING  
FUNCTIONS**

Federal regulations prohibit persons responsible for handling cash receipts of support from participating in accounting or operating functions which would allow them to conceal misuse of collections. This provision applies to state and local IV-D agency employees.

A waiver of this requirement may be granted in sparsely populated counties where this separation is not feasible. However, where the requirement will not be met, the Friend of the Court must provide some alternative controls that reasonably ensure collections will not be misused. When applicable, written waiver requests specifying the reason this requirement cannot be met and identifying alternative controls are to be submitted to the Office of Child Support.